

# Guaranteed Minimum Pensions (GMPs)

## Case Studies

This pack includes the following:



**At a glance**



**Case study summary**



**Individual case studies**

# State Pension age, the New State Pension and Guaranteed Minimum Pension (GMP)



## At a glance - how are you affected?

### Females

Born	Before 6/4/1950	From 6/4/1950 to 5/4/1953 inclusive	From 6/4/1953 to 5/11/1953 inclusive	From 6/11/1953 to 5/10/1954 inclusive	From 6/10/1954 to 5/3/1961 inclusive	On or after 6/3/1961
State Pension Age (SPA)	60	60-63	63-65	65-66	66-67	67+
Age at which GMP due	60	60	60	60	60	60
State Pension Age same as GMP Age?	Yes	No	No	No	No	No
State Pension entitlement	Old, basic State Pension	Old basic, State Pension	New State Pension	New State Pension	New State Pension	New State Pension
GMP Increases from Scheme	From age 60: Up to 3% p.a. on post'88 GMP only	From age 60: Up to 3% p.a. on post'88 GMP only	From age 60: Up to 3% p.a. on post'88 GMP only	From age 60: Up to 3% p.a. on post'88 GMP only	From age 60: Up to 3% p.a. on post'88 GMP only	From age 60: Up to 3% p.a. on post'88 GMP only
GMP increases from State	From age 60: Full on pre'88 GMP plus anything over 3% on post'88 GMP	From SPA only: Full on pre'88 GMP plus anything over 3% on post'88 GMP	None	None	None	None
Triple lock on State Pension?	Yes to 2020	Yes to 2020	Yes to 2020	Yes to 2020	Not known	Not known
Case study	1 - Helen	2 - Janice	3 - Maria	4 - Roisin	5 - Shirley	6 - Ameera

Source: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/310231/spa-timetable.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/310231/spa-timetable.pdf)

# GMP case studies - females

Case study	1	2	3	4	5	6
Name	Helen	Janice	Maria	Roisin	Shirley	Ameera
Gender	Female	Female	Female	Female	Female	Female
Born	5/4/1950	6/5/1950	6/7/1953	6/11/1953	6/10/1954	6/3/1961
State Pension Age	60	60 + 2 months	64	65	66	67
State Pension entitlement	Old State Pension	Old State Pension	New State Pension	New State Pension	New State Pension	New State Pension
GMP Age	60	60	60	60	60	60
Example APS/NAPS pension increase	4%	4%	4%	4%	4%	4%
Total pension paid by BA Pensions	£10,700	£17,100	£13,300	£12,200	£10,400	£14,600
APS/NAPS pension component	£7,000	£13,000	£8,500	£7,800	£2,000	£9,600
Pre'88 GMP component	£2,500	£3,100	£2,700	£2,600	£4,100	£3,000
Post'88 GMP component	£1,200	£1,000	£2,100	£1,800	£4,300	£2,000
Actual overall increase	4%*	4%*	3.03%	3%	2.01%	4% to SPA then 3.04%

\* Any GMP inflation proofing provided by the Government gets added to the State Pension, not paid with the BA Pension

These case studies include some APS and some NAPS cases. However, the effect of the GMP on pension increases is the same for members of both Schemes.

All pension figures shown are yearly amounts.



# Case study 1, Helen

Female. Born 5 April 1950.

Helen drew her APS pension at age 58.

She reached State Pension age on 5 April 2010 and was entitled to the old, basic State Pension.

The Government will provide inflation proofing on her GMP and she will receive triple-lock increases on her State Pension (up until at least 2020).

Both her State Pension age and GMP age were the same: age 60.

When Helen reached age 60, the GMP elements of her pension came into effect.

Assuming a 4% APS pension increase, Helen's pension elements have been treated as follows from age 60:-

Pension element	Yearly pension	Scheme increase	Government increase	Total pension increase
APS Pension	£7,000	4%	N/A	4%
Pre'88 GMP	£2,500	N/A	4%	4%
Post'88 GMP	£1,200	3%	1%	4%
<b>Total pension</b>	<b>£10,700</b>	<b>Total overall pension increase</b>		<b>4%</b>

No pension increases apply	N/A
Full pension increases apply	Green
Partial pension increase from Scheme	Yellow
No pension increase from Government	Red



# Case study 2, Janice

Female. Born 6 May 1950.

Janice drew her NAPS pension at age 59.

Janice's State Pension age was 60 and 2 months. She became entitled to the old, basic State Pension on 6 July 2010.

The Government will provide inflation proofing on her GMP and she will receive triple-lock increases on her State Pension (up until at least 2020).

When Janice reached age 60, the GMP elements of her pension came into effect.

Assuming a 4% NAPS pension increase, Janice's pension elements have been treated as follows from age 60 and 2 months:-

Pension element	Yearly pension	Scheme increase	Government increase	Total pension increase
NAPS Pension	£13,000	4%	N/A	4%
Pre'88 GMP	£3,100	N/A	4%	4%
Post'88 GMP	£1,000	3%	1%	4%
<b>Total pension</b>	<b>£17,100</b>	<b>Total overall pension increase</b>		<b>4%</b>

No pension increases apply	N/A
Full pension increases apply	Green
Partial pension increase from Scheme	Yellow
No pension increase from Government	Red



# Case study 3, Maria

Female. Born 6 July 1953.

Maria drew her NAPS pension at age 60.

Maria's State Pension age was 64. She became entitled to the New State Pension on 7 July 2017.

The Government will provide inflation proofing on her GMP after May 2014 and she will receive triple-lock increases on her State Pension.

When Maria retired age 60, the GMP elements of her pension immediately came into effect but she couldn't claim her State Pension for a further four years. The Scheme was not required to add increases on her Pre'88 GMP and the Government will not provide inflation proofing on either her pre'88 GMP or her Post'88 GMP. She will receive triple-lock increases on her New State Pension but the Government will not provide any inflation proofing on her GMP.

Assuming a 4% NAPS pension increase, Maria's pension elements would be treated as follows :

Pension element	Yearly pension	Scheme increase	Government increase	Total pension increase
NAPS Pension	£8,500	4%	N/A	4%
Pre'88 GMP	£2,700	N/A	0%	0%
Post'88 GMP	£2,100	3%	0%	3%
<b>Total pension</b>	<b>£13,300</b>	<b>Total overall pension increase</b>		<b>3.03%</b>

No pension increases apply	N/A
Full pension increases apply	Green
Partial pension increase from Scheme	Yellow
No pension increase from Government	Red



# Case study 4, Roisin

Female. Born 6 November 1953.

Roisin drew her NAPS pension at age 60.

Roisin's State Pension age is 65, She became entitled to the New State Pension on 6 November 2018.

The GMP elements of Roisin's pension came into effect in 2013, when Roisin reached age 60 but she couldn't claim her State Pension for a further five years. The Scheme is not required to add increases on her Pre'88 GMP and the Government will not provide inflation proofing on either her pre'88 GMP or her Post'88 GMP. She will receive triple-lock increases on her New State Pension but the Government will not provide any inflation proofing on her GMP.

Assuming a 4% NAPS pension increase, Roisin's pension elements would be treated as follows:-

Pension element	Yearly pension	Scheme increase	Government increase	Total pension increase
NAPS Pension	£7,800	4%	N/A	4%
Pre'88 GMP	£2,600	N/A	0%	0%
Post'88 GMP	£1,800	3%	0%	3%
Total pension	£12,200	Total overall pension increase		3%

No pension increases apply	N/A
Full pension increases apply	
Partial pension increase from Scheme	
No pension increase from Government	



# Case study 5, Shirley

Female. Born 6 October 1954.

Shirley drew her APS pension at age 60.

Shirley's State Pension age is 66, She will be entitled to the New State Pension on 6 October 2020.

The GMP elements of Shirley's pension came into effect in 2014, when Shirley reached age 60. She won't be able to claim her State Pension for a further six years. The Scheme is not required to add increases on her Pre'88 GMP and the Government will not provide inflation proofing on either her pre'88 GMP or her Post'88 GMP. If they still apply after 2020, Shirley may receive triple-lock increases on her New State Pension but the Government will not provide any inflation proofing on her GMP.

Assuming a 4% APS pension increase, Shirley's pension elements would be treated as follows:-

Pension element	Yearly pension	Scheme increase	Government increase	Total pension increase
APS Pension	£2,000	4%	N/A	4%
Pre'88 GMP	£4,100	N/A	0%	0%
Post'88 GMP	£4,300	3%	0%	3%
Total pension	£10,400	Total overall pension increase		2.01%

No pension increases apply	N/A
Full pension increases apply	
Partial pension increase from Scheme	
No pension increase from Government	





# Case study 6, Ameera



Female. Born 6 March 1961.

Ameera drew her NAPS pension from age 56. She'll reach GMP age (60) in 2021 and State Pension age (67) in 2028, when she'll be entitled to claim the New State Pension.

Ameera is currently under GMP age so the GMP elements do not yet affect her pension increases. The GMP elements of Ameera's pension will come into effect in 2021, when Roisin reaches age 60 she won't be able to claim her State Pension for a further seven years. The Scheme is not required to add increases on her Pre'88 GMP and the Government will not provide inflation proofing on either her pre'88 GMP or her Post'88 GMP. If they still apply in 2028, Ameera may receive triple-lock increases on her New State Pension but the Government will not provide any inflation proofing on her GMP.

Assuming a 4% NAPS pension increase, pension increases before GMP age:

Pension element	Yearly pension	Scheme increase	Government increase	Total pension increase
NAPS Pension	£14,600	4%	N/A	4%
Pre'88 GMP	N/A	N/A	N/A	N/A
Post'88 GMP	N/A	N/A	N/A	N/A
<b>Total pension</b>	<b>£14,600</b>	<b>Total overall pension increase</b>		<b>4%</b>

Pension increases from GMP age (age 60):-

Pension element	Yearly pension	Scheme increase	Government increase	Total pension increase
NAPS Pension	£9,600	4%	N/A	4%
Pre'88 GMP	£3,000	N/A	0%	0%
Post'88 GMP	£2,000	3%	0%	3%
<b>Total pension</b>	<b>£14,600</b>	<b>Total overall pension increase</b>		<b>3.04%</b>

No pension increases apply	N/A
Full pension increases apply	
Partial pension increase from Scheme	
No pension increase from Government	